GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:382
ANSWERED ON:24.07.2001
REVIVAL OF DURGAPUR AND HALDIA FERTILIZER UNITS
PRIYA RANJAN DASMUNSI

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the latest position of revival plan of Durgapur and Haldia units of fertilizer plants;

(b) the details of funds invested in the aforesaid two plants;

(c) the basic reasons for which the units could not take off as desired in the plan document; and

(d) the remedial measures proposed to be taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI S. B. MOOKHERJEE)

(a), (c) & (d) The Haldia Fertilizer Project, which could never be commissinedowing to techno-economic non-viability, has been lying closed since 1986. A decision has already been taken by the Government to hive off this unit. The operations of the Durgapur Unit had to be suspended in 1997 due to a fire in the primary reformer top. The sustained and viable operations of this unit is not feasible unless a complete revamp of the plant is undertaken, which, however, is hampered by budgetary constraints and high cost of production. The rehabilitation of the Durgapur unit is dependent on the decision of the competent authority in the Government and the final outcome of the proceedings pending before the BIFR.

The concerned company viz. Hindustan Fertilizer Corporation Ltd.which owns both these units, was declared a sick company by the Board for Industrial and Financial Reconstruction (BIFR) in 1992 under the SickIndustrial Companies (Special Provisions) Act 1985. The rehabilitation proposal of HFC was considered by the competent authority in theGovernment on 31.5.2001 and a Group of Ministers has been constituted to examine the proposals and submit its recommendations.

(b) The investments in terms of equity and plan loan made in the Haldia Fertilizer Project and Durgapur unit are Rs. 547.70 crore and Rs. 186.89 crore, respectively.